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COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
(213) 240-8101

November 22, 2004

TO: Each Supervisor

FROM: Thomas L. Garthwaite, MD
Director and Chief Medical Officer

SUBJECT: **PROPOSED CLOSURE OF TRAUMA SERVICES AT KING/DREW
MEDICAL CENTER**

At the November 15, 2004, Beilenson Hearing, your Board instructed the Department of Health Services (DHS) to respond to issues raised by individuals testifying on the proposed closure of the trauma unit at King/Drew Medical Center. A number of the issues raised have already been addressed by the Department in its November 12 Board letter.

The Department has reviewed the transcripts from both the November 15 and 16 Board meetings. Below is a summary of the issues raised and the Department's response.

- *DHS has provided no evidence that the trauma unit's performance threatens patient care at KDMC.*

The Department has never stated that the provision of trauma services, in itself, threatens patient care at KDMC. Rather, given the increased stress that critically-ill trauma patients place on the hospitals, in combination with the significant problems that exist in maintaining a safe environment throughout the hospital, the Department believes the most effective way to achieve a safer clinical environment is to lower the number of critically-ill patients entering the hospital. The most appropriate way to achieve this, while continuing to ensure the broadest ongoing access to the hospital, is through the closure of the trauma center.

- *Many patients are delivered to the KDMC trauma center by family or friends, rather than by ambulance.*

Based on a review of trauma patient records during the period of October 1, 2003 through March 31, 2004, non-ambulance drop-offs at the trauma center comprise approximately eight percent of all trauma patients. If the trauma unit is closed, KDMC would triage and treat these patients in the emergency room and, to the extent a patient required a higher level of care, immediately transfer that individual to a trauma hospital. KDMC would manage these patients in the same way as do other urban non-trauma emergency hospitals.

It is important to note that while there are 13 trauma hospitals across the County, there are 79 hospitals that operate emergency rooms. These hospitals are required to maintain the services necessary to provide initial assessment and treatment to all patients and transfer out those whose condition exceeds their clinical capability.

- *Closure of the trauma center will eliminate access to a wide range of patient care services.*

A number of individuals who testified before the Board noted that they or their family members had been treated by KDMC's trauma unit for conditions such as gallstones, colon cancer, or heart attacks. It is important to reiterate that all of those conditions would be treated in the emergency room, not the trauma unit. Trauma units are designed to treat much higher acuity injuries, such as gunshot wounds to the torso or abdomen or blunt head injuries. Traumatic injuries tend to occur externally to the body, as opposed to the conditions identified by the witness, which are internal to the body. Closure of the trauma unit will not affect access to care for individuals experiencing non-traumatic conditions, such as those identified during the Board's hearing.

- *The County is working to systematically dismantle KDMC. The hospital is no more than a glorified convalescent hospital; there are fewer than 100 patients when it is supposed to have 500.*

The Department and the Board are committed to securing the long-term viability of KDMC. There is not, and has never been, an attempt to close the hospital or its emergency room. The Department is committing significant additional resources to the hospital to support efforts to restructure and stabilize the patient care environment. Closing the trauma unit is one component of the effort to stabilize the hospital. The rest of the hospital, including the emergency room, will remain open and operating at levels to ensure a safe patient care environment.

While KDMC is licensed for 537 beds, similar to all of DHS' hospitals, its budgeted census is lower. In Fiscal Year 2004-05, KDMC is budgeted for 233 beds. The hospital's census over the past year has ranged between 170 and 200, which has been to some extent dictated by the facility's ability to staff beds. Neither KDMC nor the other DHS hospitals have ever been budgeted to the licensed capacity.

- *KDMC is underfunded and DHS continues to drain the hospital of resources. The County should give KDMC the resources it needs, including full-time administrators.*

Reviews by the Department, as well as by outside audits conducted by the State of California, have concluded that KDMC is funded at a higher level than other DHS hospitals. According to Office of Statewide Health Planning and Development (OSHPD) data on hospital cost per day for Fiscal Year 2002-03, the cost per day at KDMC is \$2,218 as compared to \$1,533 at LAC+USC Medical Center, \$1,403 at Harbor-UCLA Medical Center, and \$1,726 at Olive View-UCLA Medical Center.

DHS has invested significant resources to the turn-around of KDMC, including several million dollars on physical plant improvements, including the renovation of the psychiatric inpatient wards, as well as on outside consultants for JCAHO and CMS preparation activities. Additionally, DHS has entered into a \$13.2 million contract with Navigant Consulting for the provision of on-site day-to-day management oversight of the hospital.

KDMC has continuously had a full-time on-site Chief Executive Officer (CEO) in the facility, throughout the past year. The Department temporarily reassigned a senior manager from LAC+USC Medical Center to KDMC to act as the facility's CEO. This individual was on-site full-time until November 1, when Navigant Consulting assumed day-to-day oversight of the hospital.

- *DHS controls all decisions at KDMC through its downtown administrative headquarters.*

While over the past year, executive leadership from the central DHS administration have been involved in the day-to-day management of KDMC, historically, KDMC has been treated no differently than the other hospitals with regard to management oversight. Additionally, clinical decisions, such as whether or when to place the hospital on emergency or trauma diversion, have been, and still are, left to the facility's clinicians and management on a case-by-case basis.

- *DHS has instructed Navigant Consulting not to assess the trauma service.*

As part of its assessment of KDMC operations, Navigant Consulting is evaluating all clinical services, including the trauma unit.

- *KDMC is the most profitable teaching hospital in the nation.*

The figures used by the publication that came to this conclusion incorrectly recorded as revenue those dollars included in the Intergovernmental Transfer (SB 855 and SB 1255) of funds by the County to draw down federal funding under the Medicaid (Medi-Cal) program.

- *DHS has cascaded out hundreds of nurses from KDMC.*

There was no net loss in the number of nurses at KDMC as a result of the cascade conducted in June 2003. Because of the closure of High Desert Hospital, there were nurses cascaded through DHS, which resulted in some nurses being moved from KDMC; however, those nurses were replaced with others from elsewhere in the system.

There have been a number of nurses released over the past year for employment reasons related to mismanagement, clinical misconduct, or performance problems. None of these releases were related to the cascade.

- *Rather than address nursing salaries, DHS is recommending closing the trauma unit.*

While the national and statewide nursing shortages are certainly a contributing factor to the County's ability to recruit and retain qualified nursing personnel at KDMC, the problems at the hospital are far deeper than this. As noted repeatedly by the federal Centers for Medicare and Medicaid Services (CMS), the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), and other outside entities, KDMC suffers from broad lapses in the organization of care at the facility, including from documentation, medication management, and patient assessment throughout the facility that result from lack of clinical leadership across all services. The Department's recommendation stands, irrespective of issues associated with nurse recruitment.

- *KDMC has fewer staff than other DHS hospitals; for example the trauma unit only has two nurses to collect necessary trauma data.*

The American College of Surgeons (ACS), which is the national entity that sets standards for the operation of trauma centers, recommends that hospitals have one

staff person for each 500 to 1,000 trauma patient admissions to conduct necessary data collection. The current staffing at KDMC is two nurses and one clerk for approximately 1,000 patient admissions, with approval to hire one additional nurse. In comparison, LAC+USC Medical Center, which has approximately 3,500 trauma patient admissions has seven nurses and three support staff. Adjusted for volume, KDMC's staffing in this area is consistent with that of LAC+USC Medical Center.

- *The County says many of the nurses at KDMC are incompetent; this may be due to the use of contract nursing staff.*

The Department has not stated that the nurses at KDMC are incompetent. Based on a review conducted by The Camden Group earlier this year, it was determined that close to 20 percent of the nursing staff experienced some clinical skills deficits that required remediation. All County-employed nursing staff received necessary retraining or reassignment. Additionally, all contract nursing staff (traveler and registry) must undergo an intensive skills assessment and orientation prior to being assigned to a patient care area. This orientation process has been reviewed and approved by the Centers for Medicare and Medicaid Services.

- *The volume of surgery will continue to decline if the trauma unit is closed, which will imperil the return of the surgery training program.*

The reinstatement of the surgery training program is dependent on a number of factors. The most significant of these is that the University last year received its second unfavorable institutional accreditation by the Accreditation Council on Graduate Medical Education. If the deficiencies are not corrected by the next survey in 2006, the medical school and hospital will lose the ability to operate any resident training programs. According to ACGME requirements, no training programs can be initiated or re-started until the institution attains favorable status.

Additionally, the loss of the surgery residents makes it extremely difficult for the hospital to maintain adequate surgical coverage for the trauma unit. Further, the ACGME's withdrawal of the surgery training program accreditation resulted in the hospital being downgraded from a Level I to a Level II trauma center, effective July 1, 2004.

Finally, operating a trauma program is not a condition for ACGME accreditation of a surgery training program. Hospitals often enter into agreements with other facilities for necessary training experience they are unable to provide directly.

- *St. Francis Medical Center is not ACS certified as a trauma center; therefore, such verification should not be required for KDMC to remain a trauma hospital.*

The Department has not identified ACS verification as a condition for the continued provision of trauma services at KDMC. Rather, the findings by the ACS at KDMC were further evidence of the problems already identified by DHS and outside regulatory and accrediting agencies as to the magnitude of the structural problems at the hospital.

Additionally, while the County Emergency Medical Services Agency (EMS) does not require all of the County's trauma hospitals to maintain ACS certification, it does mandate that all the trauma hospitals undergo a triennial ACS survey, which it uses to measure quality of care issues at the hospitals. EMS also requires the trauma hospitals to provide an acceptable plan of correction to address any deficiencies identified through the ACS survey.

- *Many of the trauma physicians at St. Francis Medical Center and California Hospital Medical Center trained at KDMC; if the KDMC physicians are incompetent, then so are these doctors.*

While individual employees, including physicians, may experience deficits in their clinical capability, the Department has never made a general statement as to the competence of the KDMC physician staff. As part of its oversight responsibilities for the County-wide trauma network, EMS regularly evaluates the quality of care provided at all trauma facilities, including St. Francis Medical Center and California Hospital. In the event deficiencies are identified, EMS requires an appropriate plan of correction.

- *Given that California Hospital has many of the same physicians at KDMC, how can DHS say it will do a better job at providing trauma services than KDMC?*

Physician coverage is only one component of the provision of trauma care. California Hospital is not experiencing the same structural and operational deficiencies presently faced by KDMC. The underlying hospital provides a more stable environment in which to deliver emergent trauma services, as well as the subsequent inpatient care.

- *California Hospital is getting a higher rate of reimbursement than KDMC for treating trauma patients.*

Based on KDMC's costs for the provision of emergency and trauma services, proportionate to the other DHS hospitals, the hospital receives an annual allocation of \$18 million from Measure B.

California Hospital is being paid at the same level of reimbursement as the other private trauma hospitals. The private trauma hospitals are reimbursed on a retrospective per diem basis, based on the number of eligible indigent patients treated. The maximum contract amount for California Hospital for the seven month term is \$3.98 million. This amount includes one-time funding in the amount of \$420,000 to assist California Hospital in building necessary capacity to participate in the trauma network.

- *Funding for California Hospital is coming from KDMC.*

As the Department noted during your Board's November 16 consideration of the contract with California Hospital, funding for this facility is coming from unallocated Measure B dollars in both the EMS Agency and Public Health budgets.

- *When will the trauma unit at KDMC be closed?*

California Hospital will begin accepting trauma patients on December 1, 2004. The initial catchment area is designed to provide approximately 660 patients, on an annualized basis to California Hospital. The initial trauma boundary draws patients from the current LAC+USC Medical Center and KDMC catchment areas. While KDMC will see a reduction in patients beginning on December 1, it will continue to still receive trauma patients during the phase-in of California Hospital to the trauma network.

The Department anticipates that within 60 to 90 days from California Hospital's entry into the trauma network, the second phase of its trauma boundaries would be implemented. It is at that time that the KDMC trauma unit would be fully closed. This closure also would be coordinated with the necessary increase in capacity and funding at St. Francis Medical Center, Harbor-UCLA Medical Center, and other trauma facilities as appropriate.

The Department continues to recommend the closure of the KDMC trauma unit as the most appropriate action to reduce the stress on the hospital and allow for implementation of necessary corrections. Please let me know if you have any questions.

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c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors